



**UNION BANK  
ECONOMIC OPPORTUNITY MORTGAGE (EOM) PROGRAM**

**I. PROGRAM SUMMARY**

<b>PROGRAM DESCRIPTION</b>	<p>Up to 100% LTV financing available for borrowers who meet the low income limits and/or targeted census tracts requirements for fixed-rate and adjustable-rate mortgage/ARM programs within the State of California.</p> <p>This is a product developed by <b>Union Bank of California (UBOC)</b> and mortgage insurance is provided by the <b>California Housing Finance Agency (CalHFA)</b>.</p> <p><b>Eligible Mortgages</b> – These guidelines can be used for the following programs with conforming loan amounts:</p> <ul style="list-style-type: none"><li>• Fixed-Rate</li><li>• ARM's – 5/1, 7/1, 10/1</li></ul>
<b>TARGET MARKET</b>	<p>Borrowers whose income does not exceed 80% of area median income or the property is located in a census tract where the median family income is 80% or less of the median family income for the statistical metropolitan area (SMA) as calculated by HUD.</p>
<b>PARTICIPATING LENDERS</b>	<p>Union Bank of California</p>
<b>BORROWER ELIGIBILITY</b>	<p>All borrowers must provide evidence of legal residency and work eligibility.</p> <p><b>Non-Occupant Co-Borrower.</b> Allowed if the occupying borrower has a minimum of 3% in his/her own funds (1% for LTVs over 95%) and the income of all borrowers is included in determining eligibility relative to income limits.</p>
<b>PROPERTY ELIGIBILITY</b>	<p>Single family residence, condominium, unit in a planned unit development (PUD), and two-to-four units (one unit must be owner-occupied).</p> <p>100% LTV: Limited to owner-occupied, one unit, including units in condominiums and PUD's.</p>
<b>DOWN PAYMENT REQUIREMENTS</b>	<p>See Borrower Minimum Contribution below.</p>
<b>BORROWER MINIMUM CONTRIBUTION</b>	<p>90.01% - 95% LTV: A minimum 3% must come from borrower's own funds to be used towards down payment or closing costs.</p> <p>95.01 – 100% LTV: A minimum 1% must come from borrower's own funds to be used towards down payment or closing costs.</p> <ul style="list-style-type: none"><li>• If the closing costs are less than 1% for 100% LTV, the 1% or any portion thereof can be in the form of verified reserves.</li></ul>

<b>TRANSACTION TYPE</b>	Purchases and refinances. No cash out refinances for combined LTV's greater than 80%.
<b>MAXIMUM LOAN AMOUNT</b>	Current conforming limits.
<b>INCOME LIMITS</b>	80% of area median income, except if the subject property is located in a census tract where the area median family income is 80% or less of the median family income for the SMA as calculated by HUD.
<b>MORTGAGE INSURANCE</b>	<p>CalHFA's Zero Upfront Monthly Mortgage Insurance premium applies as follows:</p> <p><u>97.01% -- 100% First Loan LTV</u></p> <ul style="list-style-type: none"> <li>• Cost: 102 basis points</li> <li>• 50% coverage</li> <li>• Due: Monthly</li> </ul> <p><u>95.01% -- 97% First Loan LTV</u></p> <ul style="list-style-type: none"> <li>• Cost : 89 basis points</li> <li>• 40% coverage</li> <li>• Due: Monthly</li> </ul> <p><u>90.01% -- 95% First Loan LTV</u></p> <ul style="list-style-type: none"> <li>• Cost: 69 basis points</li> <li>• 30% coverage (&gt;25-30 year loan term)</li> <li>• Due: Monthly</li> <li>• Cost: 60 basis points</li> <li>• 30% coverage (25-year loan term)</li> <li>• Due: Monthly</li> <li>• Cost: 56 basis points</li> <li>• 25% coverage (&lt;25-year loan term) <i>All ARMS 30% regardless of LTV</i></li> <li>• Due: Monthly</li> </ul> <p>Mortgage Insurance is not required for 90% or less LTV.</p>
<b>SELLER CONTRIBUTIONS</b>	Cannot exceed total amount of closing costs (recurring and non-recurring) or 3%, whichever is less.
<b>BUYDOWNS</b>	N/A

## II. UNDERWRITING CRITERIA

<b>MINIMUM FICO SCORE</b>	<p>Minimum 2-year credit history required with minimum 3 active ratings/tradelines.</p> <p>Contributing co-borrower with no credit history allowed per Union Bank guidelines.</p>
<b>RATIOS</b>	33/44%

<b>HOMEBUYER EDUCATION REQUIREMENT</b>	<p>A Certificate of Completion is required as evidence the borrower attended a Home Buyers Education session if:</p> <ul style="list-style-type: none"> <li>• TLTV exceeds 90%; and</li> <li>• Borrower has not previously owned a home; and either</li> <li>• Total debt ratio exceeds 40%, or</li> <li>• Borrower's credit history covers a period of less than 2 years.</li> </ul>
<b>EMPLOYMENT/INCOME REQUIREMENTS</b>	<p>Minimum one-year employment history; 2 years for seasonal or fluctuating or self-employment income.</p> <p>Boarder rent can be considered stable if boarder is a relative living with the borrower for at least 12 months with a documented history of shared residency (per Union Bank) &amp; documented rent payments (12 months cancelled checks) from the boarder.</p>
<b>ASSETS</b>	<p><b>Cash on Hand.</b> Acceptable for any portion of down payment if the following are met:</p> <ul style="list-style-type: none"> <li>• Written statement from borrower explaining source of funds, and stating funds have not been borrowed.</li> <li>• Funds are deposited in a financial institution and fully verified at the time of submission for final approval.</li> <li>• Use of cash-on-hand is consistent with borrower's profile, financial status, and use of cash for other expenses.</li> </ul> <p><b>Closing Costs.</b> May be funded with a gift from a relative, or with gifts, grants or unsecured loans from the borrower's employer, non-profit organization, municipality or public agency (refer to Gifts, below).</p> <p><b>Gifts.</b> If used, borrower must pay a minimum of 3% of the purchase price from his/her own funds (1% for LTVs over 95% -- refer to Borrower Minimum Contribution above).</p> <p><b>Reserves.</b> Not required.</p>

**IMPORTANT DISCLOSURE INFORMATION:**

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should also be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only, and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.